

UNITED STATES DISTRICT COURT

for the

Northern District of California

United States of America

v.

Rodney Lewis Stevenson II,

)

Case No.

20-CR-

20-mj-70483

Defendant(s)

FILED

APR 24 2020

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of February 27, 2020 to April 15, 2020 in the county of San Francisco in the
Northern District of California, the defendant(s) violated:

Code Section

Offense Description

18 U.S.C. §§ 1343 and 2

Wire Fraud

This criminal complaint is based on these facts:

See Affidavit and Attachments.

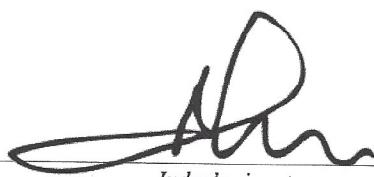
Continued on the attached sheet.

SIGNED VIA TELEPHONE

Complainant's signature

Christopher T. Morris, Postal Inspector, USPIS

Printed name and title



Judge's signature

Sworn to before me and signed in my presence.

Date: 04/21/2020

City and state: San Francisco, California

Alex G. Tse, U.S. Magistrate Judge

Printed name and title

ATTACHMENT 1 TO COMPLAINT FOR VIOLATIONS OF 18 U.S.C. §§ 1343 AND 2

COUNT 1: (18 U.S.C. § 18 U.S.C. §§ 1343 and 2 – Wire Fraud)

1. Beginning no later than on or about February 28, 2020, and continuing until at least April 15, 2020, in the Northern District of California and elsewhere, the defendant,

RODNEY LEWIS STEVENSON II,

did knowingly, and with the intent to defraud, participate in, devise, and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts and omissions of material facts with a duty to disclose, and attempting to do so, did knowingly transmit, and cause to be transmitted, writings, signs, signals, pictures, and sounds in interstate and foreign commerce by means of wire communications.

THE SCHEME TO DEFRAUD

2. Defendant sought to obtain money and property by falsely marketing and selling N95 respirator masks and N99 filters that he did not possess and did not intend to provide to customers.

MANNER AND MEANS

3. Defendant and others known and unknown used the following manner and means, among others, to accomplish the objects of the scheme:

- a. Defendant controlled EM General and its website, emgeneral.com, which falsely purported to have available for sale and shipment N95 respirator masks.
- b. Defendant used fake identities, including a fake name and image for its Chief Executive Officer and Chief Financial Officer, to fraudulently create the appearance that he was operating as a legitimate and reputable business and to distance himself from the scheme and from customer complaints.

- c. Defendant utilized at least two Google Gmail accounts in the name of the EM General business and an account with a customer service management company to fraudulently create the appearance that he was operating as a legitimate online business.
- d. The EM General website controlled by Defendant falsely claimed on multiple consecutive days that its free shipping “offer ends today.”
- e. Defendant sent fraudulent emails explaining shipment delays in order to prolong the fraud scheme and its discovery.
- f. To one customer who complained about the company’s failure to deliver masks, defendant caused to be mailed a package of surgical masks that were not N95 respirator masks and were not worth the amount paid by the customer.
- g. Defendant sought to further defraud customers by offering purported discounts to customers for buying additional masks after customers paid for their purchases.
- h. Defendant further sought to defraud customers by offering recent customers significant “discounts” from the original purchase price for additional masks.

All in violation of Title 18, United States Code, Sections 1343 and 2.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

I, Christopher T. Morris, U.S. Postal Inspector, being duly sworn, hereby declare as follows:

INTRODUCTION

1. I am a U.S. Postal Inspector employed by the U.S. Postal Inspection Service (Inspection Service) assigned to the San Francisco Division, and have been so employed since January 2007. I am currently assigned to the Mail Fraud Team based in Richmond, California, which investigates mail fraud, investment fraud and related crimes of access device, wire fraud, and bank fraud. I have received specialized training through the Inspection Service in the areas of criminal investigation, including mail theft, identity theft, and mail, access device, and wire and bank fraud. As a Postal Inspector, I am authorized to investigate crimes involving offenses relating to the U.S. Postal Service (USPS).

2. I make this affidavit in support of a Criminal Complaint against RODNEY LEWIS STEVENSON II, (hereinafter STEVENSON), for knowingly devising and executing a scheme with the intent to defraud and utilizing interstate wire communication to facilitate that scheme in violation of 18 U.S.C. §§ 1343 and 2.

3. The facts set forth in this affidavit are based on my personal knowledge, training and experience, knowledge obtained during my participation in this investigation and from other agents, analysts and witnesses and from my review of documents, databases and computer records. This investigation is being conducted jointly with Federal Bureau of Investigation Special Agent Stephanie Coronado.

4. Unless otherwise noted, wherever in this Affidavit I recount a statement, including written statements made by another person, that statement is recounted in substance and in relevant part.

5. This affidavit is intended to show merely that there is sufficient probable cause for the requested warrant and does not set forth all of my knowledge about this matter.

RELEVANT LAW

6. Title 18 U.S.C. § 1343 provides: “Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.”

FACTS SUPPORTING PROBABLE CAUSE

7. An “N95 mask” or “N95 respirator” (hereafter N95 mask) is a particulate-filtering facepiece respirator that meets the U.S. National Institute for Occupational Safety and Health N95 standard of air filtration. N95 masks, which cover the user’s nose and mouth, are required to filter at least 95% of airborne particles. Additionally, the U.S. Food and Drug Administration, (FDA), describes the N95 “respirator” as a “respiratory protective device designed to achieve a very close facial fit and very efficient filtration of airborne particles.” The FDA refers to its filtration capabilities as exceeding those of face masks. N99 filters are described as filters that filter at least 99% of airborne particles, according to the Centers for Disease Control and Prevention (CDC).

8. Gmail is an electronic communication service of Google, LLC, a division of Alphabet, Inc., which is headquartered in Mountain View, California, within the Northern District of California.

9. Zendesk, Inc., is a customer service management and software company

headquartered in San Francisco, California, within the Northern District of California.

10. On or about March 30, 2020, the Inspection Service became aware of numerous consumer complaints, (in excess of 90 complaints), filed in the Federal Trade Commission's, (FTC) Consumer Sentinel website against a company identified as EM General LLC (hereinafter EMG). This database is available to law enforcement to identify consumer complaints filed against various entities. The majority of the complainants against EMG alleged they had placed orders for N95 masks on the EMG website and remitted payments using their credit card or debit through this website, but never received the N95 masks or anything else in return. As discussed below, several victims reside in the Northern District of California.

11. By March 30, 2020, the United States was under several emergency declarations related to a global pandemic of a newly-discovered virus, known as the Novel Coronavirus, which originated in China and is now widespread in the United States. The virus is highly contagious and causes a potentially fatal disease referred to as "COVID-19." The CDC has recommended that all citizens of the United States wear cloth face coverings (the CDC recommends that N95 respirator masks should be reserved for critical personnel) when in public settings where likely to be in close proximity to others, as a measure to prevent infection.

12. As the Novel Coronavirus can be transmitted through the air, among other ways, consumers throughout the United States have been purchasing personal protective equipment (PPE) such as N95 respirator masks at an unprecedented rate. Additionally, health care providers, first responders and individuals with certain underlying health conditions such as asthma, diabetes and heart and lung disease are in dire need of this mask, and it has been publicly reported that many hospitals are in short supply of N95 respirator masks. As a result of such abnormally high demand and accelerated rate of purchases, typical retail establishments that normally sell such masks have either limited inventory or no longer have them available at their physical location or as an online purchase.

13. During the progression of this pandemic, the reference to the N95 mask has become ubiquitous and synonymous with the public as the preferred, sought-after mask for preventing the contraction of the COVID-19 virus. Consistent with the demand for the N95 masks, on March 25, 2020, the U.S. Department of Health and Human Services issued a Notice under Executive Order 13910 and Section 102 of the Defense Production Act of 1950 (50 U.S.C. § 4512, designating certain health and medical resources as scarce such that hoarding or excessive accumulation of such items or accumulating such items for the purpose of resale at prices in excess of prevailing market prices is prohibited by law. The Notice included “N95 Filtering Facepiece Respirators.”

14. EMG is a limited liability company registered in the State of Michigan. According to records maintained by the Michigan Department of Licensing and Regulatory Affairs (LARA), the entity’s Articles of Organization were filed on September 10, 2019. The Department’s records identify EMG’s agent and organizer as STEVENSON, with an address in Muskegon, Michigan. Additionally, EMG’s Annual Statement, filed on February 13, 2020, lists STEVENSON as “Manager” and a close relative of STEVENSON as “Member.” STEVENSON’s Michigan-issued driver’s license, issued on April 14, 2017, lists the same home address as the business address of EMG.

a. Victim No. 1

15. On March 30, 2020, an individual identified herein as Victim No. 1, a resident of San Jose, was identified through the FTC Consumer Sentinel database and interviewed. Victim No. 1 told me he is currently employed by a hospital in a non-provider capacity in the Bay Area, but is not provided personal protective equipment such as an N95, mask as such masks are strictly reserved for medical providers. In addition, Victim No. 1’s parents are both over the age of seventy and do not possess N95 masks. He visited the Yahoo.com website on February 28, 2020, when he noticed an advertisement for N95 masks. He clicked on the ad, whereupon he was redirected to the website www.emgeneral.com. The website showed an image of what

appeared to be an N95 mask with N99 filters. The advertisement also had language stating that the mask would protect the purchaser from viruses. The website further stated that if two masks were purchased the third one would be discounted. Victim No. 1 decided to purchase four masks for himself and his parents. He used his Wells Fargo Bank debit card to make the online purchase and paid EMG \$45.49 for the first N95 mask and \$104.97 for the other three N95 masks.

16. Victim No. 1 provided me with records showing that, on February 28, 2020, he received an email message from EMG with the email address emgeneralhelp@gmail.com. The message thanked Victim No. 1 for his purchase and stated that “we’re getting your order ready to be shipped. We will notify you when it has been sent.” The message referred to his order of what was purported to be three “Antiviral N95 Mask(s) for Anti Pollution, Bacteria and Viruses with N95/N99 Filters.” The email listed Victim No. 1’s shipping and billing address and indicated that shipping was free. It also showed that the payment for the three masks was \$104.97. He received a separate but similar order confirmation for the one mask purchase for \$45.49. The last sentence of the emails stated “If you have any questions, reply to this email or contact us at emgeneralhelp@gmail.com.”

17. On March 9, 2020, Victim No. 1 received an email message from EMG with the email address elitemalltech@gmail.com (this email address is also the one listed on Victim No. 1’s FTC Consumer Complaint). The message had the subject “Important ! From EM General Regarding your Order.” The message further stated it was from “Mike T. (CEO EMG)” and that “due to unexpected response and HIGH volume of demand of our mask we are facing a little delay in shipping out your order. However, we are making sure to give you a quality experience. I am giving a brief explanation on different issues and questions you might find helpful.” The email then provided questions and answers, such as “How many filters come with each mask?” followed by the response: “Coronavirus anti-virus N95 masks; comes with 1 filter with each mask. Please note we are not selling filters separately. However, we are making arrangements

to list them separately from coming weeks. I would personally let you know when these filters will be available. We are importing masks from Turkey.” Another question posed was, “When my order will deliver?” followed by the response: “Due to the high global demand for this product, we are in the process to set our warehouse in the USA and we will start shipping from the USA from 15-19th of March. Once your order will be shipped out the ETA will be 3-5 days.” Another question was “I want to make a bulk purchase?” followed by the response, “If you want to make a bulk purchase, we are happy on this and have a special discount: Buy 40+ & Get 30% off with this code 40N95.” The last question was “Can we cancel your order?” followed by the response: “As we have paid for your order to our manufacturer and have made a bulk purchase, so we sincerely apologize, we are unable to cancel your order.”

18. On March 18, 2020, Victim No. 1 received the final email from “EMG Support Team” with the email address emgeneralhelp@gmail.com. The subject of the email message was “Order/Shipping Mask Update.” The message read as follows: “Greetings, ! We are Excited to let everyone know Inventory is in and we finally started shipping again last Friday March 13, 2020. We are shipping in the order that your order was received. You will receive a tracking number when your order is shipped so you can track your package to your door. Once you receive that tracking number shipping time will be 6-8 days because of USA regulations on shipping. Thank you for being patient and understanding that this product is in Extremely High Demand. Please do not cancel because you may not be able to get a mask due to other companies inability to get Inventory. Thank You, Management Team.” Victim No. 1 stated he never received any tracking number and telephone calls to the company were unanswered.

19. Victim No. 1 provided me with a copy of a portion of his Wells Fargo Bank account summary showing the two EMG transactions dated February 28, 2020. Each transaction is separately described as “Purchase Authorized on 2/28 EM General 616-419-8342 MI.” The phone number (616) 419-8342, was identified as a Google Voice phone number and area code

616 is a Michigan area code. As of the date of this affidavit, Victim No. 1 has not received any shipment from EMG.

b. Victim No. 2

20. On March 31, 2020, an individual identified as Victim No. 2, a resident of Palo Alto, California, who was also identified through the FTC Consumer Sentinel database, was interviewed. He told me that he is immunocompromised and wanted to purchase masks for himself and three family members due to the COVID-19 pandemic. He stated he was conducting a Google query for N95 masks available for sale and that one of the initial returns was for “emgeneral” and he saw an advertisement for an N95 mask with replaceable filters on the website. He stated that the price for the mask was approximately \$68, but was discounted to \$34. He decided to purchase four masks for \$139.96 on February 28, 2020 using his Citibank credit card. After completing the purchase, he received an offer by text message to purchase two additional masks for \$16 each. He purchased two additional masks on March 4, 2020 for \$32.49 using his same credit card. Later that day, he purchased a seventh mask for \$16.25.

21. Victim No. 2 provided me with an email he received, dated March 18, 2020. The email is substantially similar to the email message that Victim No. 1 received, as discussed in paragraph 17, above. He also said he took multiple screenshots of the EMG website. One of the screenshots provided was of a page titled “FAQs.” One of the questions listed on this page was, “How do I cancel my order?” followed by the response, “Cancellations are only accepted for full-price items within 60 minutes after an order is placed. If you have to cancel your order for full-priced items for any reason within the given timeframe please reach out to us immediately at emgeneralhelp@gmail.com. We process and ship orders as quickly as possible so cancellations are time sensitive.” As of the date of this affidavit, Victim No. 2 has not received a shipment from EMG.

c. Victim No. 3

22. On April 6, 2020, an individual identified as Victim No. 3, a resident of

Santa Cruz, California, was interviewed by Special Agent Coronado and me. Victim No. 3 had been identified through a complaint she filed with the Better Business Bureau against EMG. She told us she is retired and due to the COVID-19 pandemic, she wanted to purchase N95 masks for herself, her partner and certain family members. On February 28, 2020, she was possibly conducting an Internet search for N95 masks when a website “popped” up advertising N95 masks. She initially thought she was on the site of a retailer she transacted with previously, but later discovered she was on the EMG website.

23. Victim No. 3 stated that the masks were advertised for sale at the price of \$69.98 for two masks and an image of the mask was displayed with a person wearing it. The mask was described as being anti-viral and anti-bacterial and was shown on the website as being in stock. She initially ordered two masks on the website at the aforementioned price using her credit card. As soon as she ordered two masks, she said a “special deal” appeared on her screen offering two additional masks for \$45.49 but a timer counting down on her screen indicated that she only had ten minutes to place the order. Victim No. 3 decided to purchase the two additional masks for her son and daughter-in-law.

24. Victim No. 3 provided emails she received from EMG. She received two emails on February 28, 2020 from the emgeneralhelp@gmail.com, referring to her \$69.98 transaction and her \$45.49 transaction, respectively. The emails had Victim No. 3’s order number, a summary of her order and were nearly identical to the order confirmation emails Victim No. 1 received from EMG, described above.

25. Similar to Victim No. 1, Victim No. 3 received an email update from elitemalltech@gmail.com, dated March 9, 2020. This email also had the subject “Important ! From EM General Regarding your Order” The sender claimed to be “Mike T. (CEO EMG)” and thanked Victim No. 3 for her purchase and provided the same question and answer list as described with Victim No. 1. As of the date of this affidavit, Victim No. 3 has not received a shipment from EMG.26.

26. Inquiry in the FTC Consumer Sentinel and Better Business Bureau databases identified approximately 100 individuals who filed complaints against EMG. Consistent with the three victims interviewed, the general nature of the complaints was that the victims did not receive the N95 masks after remitting payment to EMG. A review of these complaints indicated payments to EMG totaled approximately \$9,500. However, approximately 25% of the complainants did not indicate the dollar amount paid to EMG.

d. Victim No. 4

27. On April 17, 2020, an individual identified as Victim No. 4, a resident of Staten Island, New York, was interviewed by an Analyst with the Inspection Service. Victim No. 4 was also identified from the FTC Consumer Sentinel database per his complaint against EMG, dated March 29, 2020. Victim No. 4's complaint stated that, after he saw pictures posted online of N95 masks for sale by EMG, for \$30.00 each, he paid EMG \$449.25 for approximately 15-20 N95 masks. However, the masks he received on March 27, 2020, as stated in his FTC complaint were "completely cheaply made and poor then (sic), what they were posting on there (sic), website." He also stated in his complaint that the "company has no information on address but different names but a email and phone number." Additionally, "when [Victim No. 4] went back to the website the pictures of the masks they were selling were gone and the page was blank, the trackikg (sic), link was also gone at this point you can only email."

28. During the April 17, 2020 interview, Victim No. 4 advised he purchased what were advertised to be N95 masks on March 2, 2020, using his Chase credit card. On that date, he was searching for N95 mask using an internet browser, and websites such as Amazon.com stated they were sold out. Victim No. 4 found the EMG website that stated the N95 masks were "in stock." He purchased the masks but stated he never received a tracking number of his purchase. He was instructed to insert his "order" number in a link to get a tracking number but was not provided a tracking number.

29. In the weeks following his order, Victim No. 4 dialed the number 1-800-913-

8548. This number was described as the EM General phone support number, as listed on the email address, support@emgeneral.zendesk.com, from where he received the payment confirmation of \$449.25. He recalls maybe dialing the number twice during this approximate 25-day period but received no response.

30. Victim No. 4 did receive an email response on March 18, 2020, identical to the one received by Victim No. 1 also on that date, discussed in paragraph 18 above, to the effect that EMG shipments had started on March 13, 2020 and that he would receive a tracking number. Victim No. 4 did not receive a tracking number.

31. Victim No. 4 also sent emails to the Zendesk.com address inquiring about the status of the shipment. On March 20, 2020, Victim No. 4 emailed that account, stating “Looking for an order update #44076. Tracking link isn’t working.” He received a response, dated March 21, 2020, from “Jacob Long” and sent from support@emgeneral.zendesk.com, although the letter purported to be from Chief Executive Officer “Mike T.” The response was similar to that received by Victim No. 1, described in paragraph 17 above. The response, purportedly from “Mike T (CEO EMG),” stated that due “to unexpected response and a HIGH volume of demand of our mask we are facing a little delay in shipping out your order. However, we are making sure to give you a quality experience. I am giving a brief explanation on different issues and questions you might find helpful.” This was followed by the similar questions and answers that were provided to Victim No. 1 (see paragraph 17 above).

32. On March 27, 2020, Victim No. 4 received a package containing masks by mail in a letter-size white envelope. He discarded the envelope but recalls that it had stamps on it but there was no return address on the envelope. He stated the masks were inside another white envelope and there was no other correspondence or other papers. Victim No. 4 stated that the masks looked like they were cheaply made of fabric and did not at all resemble the N95 masks that were posted for sale on the EMG website. Following receipt of these cheap masks, Victim No. 4 sent another email, on March 29, 2020, stating “So I received these mask that weren’t what

you were actually showing in photos on your website and now it's considered a scam." He received a respond on March 31, 2020, from the same Zendesk support email address but sent from "Dennis Rivera." Despite Victim No. 4's receipt of a package containing what appeared to be non-N95 masks on March 27, 2020 and his March 29, 2020 email stating that fact, the March 29, 2020, response contained the same "letter" as he had received on March 21, 2020, explaining the delay in "shipping out your order" and the questions and answers.

33. In addition to the March 29, 2020 email to EMG, Victim No. 4 filed the complaint with the FTC on that date. Victim No. 4 also stated that he tried to access the link on EM General's website to the photos of the N95 masks but they were no longer posted.

e. Additional Information Regarding STEVENSON

34. The investigation has identified STEVENSON as associated with another online scheme marketing N95 masks using the name Dealzware. Review of FTC's Consumer Sentinel database complaints filed against EMG, identified a complaint dated March 1, 2020, in which the complainant states that EMG did not provide the N95 mask after it received his online payment of \$29.95. However, the complaint also refers to an entity called Dealzware as follows: "I purchased what I was told was an N95 Mask from this website, and am positive this is an illegitimate site. The photos used for the founders are all stock images, and their WHOIS is lines up DealzWare which is another scam website. Countless people have had the same story of being scammed from EmGeneral based on purchasing masks, and the site is very new. I am suspicious that this site is committing fraud...."

35. A Google inquiry on Dealzware identified a Google cache of snapshots, as it appeared on March 22, 2020, for www.dealzware.com, containing snapshots of various consumer items for sale and listing the phone number "1 (616)-414-4895" and "Give Us A Call" listed adjacent to the number. This was also identified as being a Google Voice number.

36. A review of the Articles of Organization, dated December 18, 2019, filed in the name of Dealzware LLC, with LARA lists STEVENSON and another individual identified as

Individual No. 2 as the Organizers. The street address for Dealzware LLC and its Registered Agent, Individual No. 2, as listed on the articles, is in Norton Shores, Michigan. A Certificate of Dissolution for this entity was filed with LARA, dated March 31, 2020.

f. Search Warrant of EM General Google Emails

37. On April 15, 2020, I obtained a federal search warrant for two EM General Google accounts used in furtherance of the wire fraud scheme: emgeneralhelp@gmail.com and elitemalltech@gmail.com, identified through the consumer complaints, to include the victims referenced in this affidavit. A Google Voice phone number, (616) 419-8342, was identified as associated with EM General, according to information provided by Victim No. 1. I served the warrant on Google on April 15, 2020.

38. On April 17, 2020, I commenced a review of the emails, in particular, those for the account elitemalltech@gmail.com. The following is a summary of a few of the relevant emails from this account:

- a. Email, dated 9/16/2019, from the Michigan Corporation Division Filings, to STEVENSON, forwarding a filed copy of the “Articles of Organization that you had submitted online” for EM GENERAL LLC. The email also provided him with the “CID” and “PIN” required to access the filing for this entity.
- b. Email, dated 2/22/2020, from service@paypal.com to STEVENSON, with the message: “Your preferred payment method is set” and confirming that he selected VISA x-3467 as the preferred way to make payments to be used while shopping online or “send money for goods and services.”
- c. Email, dated 3/30/2020, from service@paypal.com to STEVENSON, but directed to “EM General” and the Subject refers to a “Case” number that has been “created.” The correspondence includes “Transaction Details” and references the particulars of a transaction involving a payment of \$45.98 on

February 26, 2020. The attendant message from PayPal is to the effect that “Your buyer has filed a claim” stating “they never received the item” and requesting a refund of \$45.98. The email further requests EM General “to resolve this issue by logging into your Resolution Center and providing us with any information that can assist us with our investigation.” It also states that if no response is received before April 19, 2020 the “case will be closed and decided in your buyer’s favor.”

- d. Email, dated 3/30/2020, from service@paypal.com to STEVENSON, but directed to “EM General” and the “Subject” refers to an “Update” of a case number. The correspondence to EM General in this email is: “As previously communicated, your buyer opened a dispute for the following reason: The buyer didn’t receive a refund or credit” of \$74.97. It also lists the particulars of a transaction that includes the buyer’s name, email address and transaction date of February 25, 2020. The message goes on to state that “\$74.97 USD has now been debited from your PayPal account for the following reason(s): “Other.” It also advises EM General that “a chargeback fee of has been debited from your PayPal account...”
- e. One email to STEVENSON was from D.P., who is one of the defendants in a civil lawsuit filed on March 30, 2020 by EMG, further discussed below. In the email from D.P., dated March 2, 2020, he states “Hello Rodney, We’ve tried contacting your supplier and it’s a google voice number. We need a way to touch base with your supplier. Please advise ASAP. Thanks!” followed by “[D.P.] VP of Client Relations.” The response from EM General was “Thanks for update. Please call me at 616-312-8805.” I have determined through law enforcement database records that this phone number is a mobile phone number belonging to STEVENSON.

39. Review of emails from the emgeneralhelp@gmail.com account indicate consumers used this email to inquire about the status of their purchase.

40. On April 21, 2020, I reviewed records from PayPal Inc concerning disputed transactions it processed for EMG through the elitemalltech@gmail.com email address. This covered the period December 22, 2019 to February 26, 2020. However, all but three transactions occurred from about February 5, 2020 to February 26, 2020. The total transactions during this period totaled approximately 1,800. These transactions generated approximately \$140,000. Review of the subject items involved in these disputed transactions indicates that a substantial portion of the transactions involved the sale of N95 masks by EMG.

41. As of the date of this affidavit, review of the Google emails and its other records and PayPal records is continuing.

g. Use of Stock Photos to Create Appearance of Legitimate Business

42. Emails sent to victims contain photos purporting to be of officers of EM general. Information provided by Special Agent Coronado confirmed that the photos of the purported officers of EM General that are displayed on the emails sent to the victims, including “Mike Thomas” as EM General’s “Founder & Chief Executive Officer”; “Grace H. Clark” as its “Chief Financial Officer & Chief Operating Officer”; “Chase A. Haynes” as its “Chief Marketing Officer”; and “Jamal T. Hill” as its “Vice President & Head of Customer Operations,” are stock photos that are widely used on many other websites and blogs for other promotions unrelated to EM General. It is noted that the photos of these individuals as they appear on the unrelated websites are identical to those displayed in the emails sent to the victims.

h. Civil Complaint Filed in Central District of California

43. Other false representations are evidenced in a civil complaint filed by EM General LLC on March 30, 2020, against Ecommerce LLC (Ecommerce), and its principals, including D.P., as well against Commercial Bank of California (CBCAL), in the United States District Court in the Central District of California. Ecommerce, the lead defendant in the case, is

described as a global web hosting company that collaborates with its clients to help them become profitable web-based businesses.

44. The substance of the complaint is that after EMG “began processing with Ecommerce on or about February 13, 2020, two weeks later, on or about February 27, 2020, Ecommerce and CBCAL froze approximately” \$3,000,000 of EMG’s funds and Ecommerce did not provide “chargeback” protection for which EMG contracted. The complaint states during this approximate two-week period, coincident with the “news of the outbreak of the COVID-19 pandemic spread and Plaintiff began receiving huge numbers of orders for N-95 masks.” EMG’s complaint claims that many orders were placed by anxious consumers, some of whom “cancelled their order minutes, hours or days after placing them” due to realizing “there would be relatively long shipping times.” The complaint further alleges, in substance, that during this same two-week period, the order cancellations accelerated, after news spread of the closures of factories in China where the mask were being manufactured. EMG blamed the defendants in the suit for the failure of EMG to issue refunds.

45. When considered in juxtaposition with the substance of the consumer complaints and of the several victims interviewed, some of EMG’s allegations in this complaint appear to be false. For example, EMG’s emails to the victims discussed above stated the N95 masks were being imported from Turkey, as discussed in paragraph 17, above, not China, as alleged in the complaint. Also, many consumers of the EMG website submitted complaints to the Better Business Bureau and the Federal Trade Commission and demanded refunds, not due their immediate realization that “there would be relatively long shipping times” but because EMG failed over many weeks to provide the N95 masks despite its representations that the masks were in stock and would be shipped by a certain date. For instance, as discussed in paragraphs 18 and 29, above, Victims No. 1 and No. 4 both stated they received EMG notices on March 18, 2020 stating that “we finally started shipping again last Friday March 13, 2020. We are shipping in the order that your order was received. You will receive a tracking number when your order is

shipped so you can track your package to your door. Once you receive that tracking number shipping time will be 6-8 days because of USA regulations on shipping.” In fact, neither Victims No. 1 nor No. 4 received a tracking number.

46. Additionally, counter to the allegations in the civil complaint that EMG was prevented from making refunds to its customers because its funds were frozen by the defendants, in fact, STEVENSON appears to have had no intention of issuing refunds to the victim consumers, and offered a different explanation in his communications with customers. This is evident in his email communications to the victims who would inquire about the status of their purchase. For example, as discussed in paragraph 17 above, Victim No. 1 received an email from EMG, dated March 9, 2020—10 days after Victim No. 1 ordered N95 masks. The message only then stated that, “due to unexpected response and HIGH volume of demand of our mask we are facing a little delay in shipping out your order.” It included the statement that EMG could not cancel the order, because EMG already had “paid for your order to our manufacturer and have made a bulk purchase, so we sincerely apologies, we are unable to cancel your order.” A variation of that response was provided to Victim No. 2, as discussed in paragraph 21, above, per an email he received from EMG dated March 18, 2020. In that email, Victim No. 2 was told that “Cancellations are only accepted for full-price items within 60 minutes after an order is placed. If you have to cancel your order for full-priced items for any reason within the given timeframe please reach out to us immediately at emgeneralhelp@gmail.com. We process and ship orders as quickly as possible so cancellations are time sensitive.” According to these directives concerning EMG’s refund policy, sent to the consumers, STEVENSON had no intention of refunding payments for the N95 masks.

47. The complaint filed by EMG included exhibits as attachments. Those attachments provide further evidence of STEVENSON’s control of EMG. Consistent with the fact that no other real individuals or officers appear to be associated with EMG, and that STEVENSON and a close relative are effectively the sole principals associated with EMG, the

complaint attached a “Merchant Application.” This application, on behalf of EMG, was dated January 29, 2020, and completed by STEVENSON on behalf of EMG with Ecommerce. On the merchant application, the block for the business legal name is listed “EM General LLC” and the block for business name “DBA” is listed as “EM General.” This entity’s business location is listed as 1240 Amity Ave., Muskegon, MI 49442. In the block for “Owner/Officer/Principal Name.” appears “Rodney Stevenson II” and for the block “Title” appears “Owner”. It is signed by “Rodney Stevenson II” and dated “01/29/20”. Throughout the rest of this application, or addendums to the application, that seeks a signature on behalf of EM General, the only signature is that of “Rodney Stevenson II.” No other names, other than STEVENSON’s appear throughout these forms on behalf of EM General.

CONCLUSION

48. Based on my training and experience and the above-referenced facts, I have probable cause to believe that RODNEY LEWIS STEVENSON II, doing business as EM General LLC, has committed wire fraud, by inducing victims to remit payments online to EM General for the purpose of purchasing N95 masks. He conducted this scheme from at least February 27, 2020, until at least April 15, 2020, which coincided with the public’s heightened demand for N95 masks as the COVID-19 virus spread throughout the country. STEVENSON capitalized on the consumers’ desperate attempts to purchase the N95 masks so as to protect against contracting the virus. Consequently, N95 masks had become scarce or unavailable due to the inordinate demand during the period STEVENSON conducted the scheme. He conducted the scheme with the intent to defraud customers by failing to furnish the N95 mask after payment was received, evidenced by the lulling emails the victims received concerning shipment of the purchased masks, within a certain date. Further evidence of the fraud was also indicated by those who may have received a mask which was of substantially lower quality than the N95 mask and dissimilar to what was posted on the EMG website.

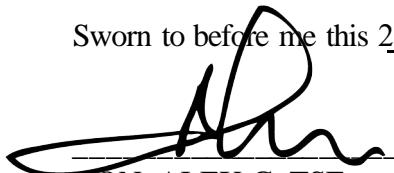
49. Therefore, I believe there is probable cause that, from on or about February 27,

2020, and continuing to the present date, RODNEY LEWIS STEVENSON II knowingly and intentionally devised and executed a scheme and artifice to defraud, and to make false and fraudulent representations and material omissions, to obtain money and property, transmitted or caused to be transmitted by means of wire communications in interstate commerce in violation of 18 U.S.C. §§ 1343 and 2.

SIGNED VIA TELEPHONE

Christopher T. Morris
U.S. Postal Inspector

Sworn to before me this 21st day of April, 2020.



HON. ALEX G. TSE
UNITED STATES MAGISTRATE JUDGE